

Message Text

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PAGE 01 MANILA 01029 260610Z

11

ACTION TRSE-00

INFO OCT-01 EA-06 NEA-10 ISO-00 CIAE-00 PM-03 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

NSCE-00 AID-05 COME-00 EB-07 FRB-03 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 IO-10

SSO-00 /104 W

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P 260521Z JUL 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 5835

INFO AMEMBASSY BANGKOK

/AMEMBASSY BONN 0181

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY TOKYO

C O N F I D E N T I A L MANILA 1029

E. O. 11652: GDS

TAGS: ADB, RP, EAID, EFIN

SUBJECT: US SUPPORT FOR ADB

DEPT PASS WHITE HOUSE

DEPT PASS TREASURY FOR COOPER

FOR INGERSOLL, ROBINSON AND HABIB

1. I AM DISTRESSED TO LEARN UPON MY RETURN TO MANILA
THAT U.S. POLICY WITH REGARD ASIAN DEVELOPMENT BANK HAS
BEEN ALLOWED TO DRIFT INTO SITUATION WHICH COULD SERIOUSLY
UNDERMINE FUTURE OPERATIONS OF THAT INSTITUTION. CONTRARY
TO EXPECTATIONS WHICH APPEARED FIRM WHEN I LEFT HERE AT
THE END OF MAY, NO RPT NO ACTION SEEMS TO HAVE BEEN TAKEN
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PAGE 02 MANILA 01029 260610Z

BY TREASURY TO CONSULT WITH U.S. CONGRESS ABOUT FUTURE

U.S. CONTRIBUTIONS EITHER TO THE ASIAN DEVELOPMENT FUND
OR TO REPLENISHMENT OF THE BANK'S ORDINARY CAPITAL
RESOURCES.

2. AT U.S. REQUEST, THE BANK POSTPONED A DONORS' MEETING
SCHEDULED FOR JUNE IN ORDER TO PERMIT TREASURY TO CONSULT
WITH CONGRESS AND THEREBY ASSURE U.S. PARTICIPATION AS A
DONOR. THIS MEETING IS RESCHEDULED FOR THE END OF AUGUST
IN WASHINGTON.

3. SINCE CONGRESS WILL BE IN RECESS THE ENTIRE MONTH OF
AUGUST, IT IS CLEAR THAT, UNLESS CONSULTATIONS TAKE PLACE
IN NEXT FEW DAYS, U.S. WILL ONCE AGAIN BE IN NO POSITION
TO PARTICIPATE MEANINGFULLY, IF WE ARE TO PARTICIPATE AT
ALL. IF U.S. FAILS TO PARTICIPATE, BOTH JAPANESE
AND EUROPEAN CONTRIBUTIONS, WHICH ARE PREMISED UPON U.S.
DOING ITS SHARE, WILL NOT RPT NOT BE FORTHCOMING, AND ALL
OPERATIONS OF THE ADF AS WELL AS MOST OPERATIONS OF THE
BANK ITSELF WILL PREDICTABLY GRIND TO A HALT BY THE END OF
THIS YEAR.

4. AS DEPT WILL RECALL, ADB WAS VERY LARGELY A U.S.
CREATION. OUR PARTICIPATION IN ITS ENTERPRISES IS REGARDED
BY ASIAN OBSERVERS AS A SYMBOL OF OUR CONTINUING INTEREST
IN ASIA JUST AS SIGNIFICANT AS THE PRESENCE OF THE U.S.
SEVENTH FLEET.

5. IF A CONSCIOUS POLICY-LEVEL DECISION HAS BEEN MADE
BY THE U.S. EXECUTIVE BRANCH TO SCUTTLE THE ADB, I AM SURE
I SPEAK FOR OTHER INFO ADDRESSEES ON THIS MESSAGE IN
STATING THAT I DOUBT THE WISDOM OF SUCH A DECISION AND
WOULD URGE THAT IT BE REOPENED AND REVIEWED. TOO MANY
OF THE UNDERDEVELOPED COUNTRIES OF THIS REGION DEPEND
UPON THE ADB AND THE ADF FOR US TO PULL THE RUG OUT FROM
UNDER THESE INSTITUTIONS THIS BRUTALLY.

6. IF, ON THE OTHER HAND, OUR CURRENT POSITION HAS BEEN
ARRIVED AT BY POLICY DEFAULT, I STRONGLY URGE THAT STATE
PRESS TREASURY TO ACT IMMEDIATELY TO UNDERTAKE THE NECES-
SARY CONSULTATIONS WITH APPROPRIATE CONGRESSIONAL LEADERS
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PAGE 03 MANILA 01029 260610Z

BEFORE THE CONGRESS RECESSES. ALTHOUGH I REALIZE THAT
THERE HAVE BEEN MANY OTHER PRIORITY ITEMS ON TREASURY'S
AGENDA IN DEALING WITH THE CONGRESS, I FEEL IT
WILL BE IMPOSSIBLE TO EXPLAIN TO THE BANK AND TO OTHER
DONORS THAT WE HAVE BEEN UNABLE, SINCE LAST APRIL, TO
ARRANGE CONSULTATIONS WITH THE CONGRESS ON THIS SUBJECT.
IT WILL BE PARTICULARLY INCREDIBLE SINCE WE ASKED FOR
POSTPONEMENT OF THE JUNE DONORS MEETING SPECIFICALLY IN

ORDER TO ARRANGE SUCH CONSULTATIONS.

7. PLEASE ADVISE RESULTS STATE-TREASURY DISCUSSIONS
THIS SUBJECT SOONEST.
SULLIVAN

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